

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <u>TOWNSHIP OF MOORE</u>	County <u>SANILAC</u>
Fiscal Year End <u>3-31-07</u>	Opinion Date <u>5-30-07</u>	Date Audit Report Submitted to State <u>7-20-07</u>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☒ ☐ The local unit is free of repeated comments from previous years.
  - ☐ ☒ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input checked="" type="checkbox"/>	<u>Single audit</u>	
Certified Public Accountant (Firm Name)	<u>ANDERSON, TUCKEY, BERNHART &amp; ADRIAN</u>		
Telephone Number	<u>989-673-3137</u>		
Street Address	City	State	Zip
<u>715 E. FRANK ST</u>	<u>CARD</u>	<u>MI</u>	<u>48723</u>
Authorizing CPA Signature	Printed Name	License Number	
<u>Gary R. Anderson CPA</u>	<u>GARY R. ANDERSON</u>	<u>1101005446</u>	

**TOWNSHIP OF MOORE,  
SANILAC COUNTY**  
Snover, Michigan

Report on Financial Statements  
(with additional information)  
Year Ended March 31, 2007

## **TABLE OF CONTENTS**

### **Page Number**

#### **INDEPENDENT AUDITORS' REPORT**

#### **GENERAL PURPOSE FINANCIAL STATEMENTS**

<i>Combined Balance Sheet - All Fund Types and Account Groups</i>	<i>1 &amp; 2</i>
<i>Combined Statement of Revenue, Expenditures and Change in Fund Balance – All Governmental Fund Types</i>	<i>3</i>
<i>Combined Statement of Revenue, Expenditures and Change in Fund Balance – Budget and Actual - General and Special Revenue Fund Types</i>	<i>4 &amp; 5</i>
<i>Notes to Financial Statements</i>	<i>6 - 11</i>

#### **SUPPLEMENTAL FINANCIAL INFORMATION**

<i>Schedules of Revenue, Expenditures and Change in Fund Balance – Budget and Actual</i>	<i>12 - 21</i>
<b>Current Tax Collection Fund:</b>	
<i>Schedule of Changes in Assets and Liabilities</i>	<i>22</i>

# ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



May 30, 2007

Gary R. Anderson, CPA  
Jerry J. Bernhardt, CPA  
Thomas B. Doran, CPA

Robert L. Tuckey, CPA  
Valerie Jamieson Hartel, CPA  
Jamie L. Peasley, CPA

## INDEPENDENT AUDITOR'S REPORT

Township of Moore  
Sanilac County  
Snover, Michigan 48472

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Moore as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Moore's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Moore's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Moore as of March 31, 2007, or changes in its financial position or cash flows where applicable, for the year then ended.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2007 on our consideration of Moore Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming opinions on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Moore Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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## Financial Statements

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**COMBINED BALANCE SHEET -**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**March 31, 2007**

	<b>GOVERNMENTAL FUND TYPES</b>			<b>FIDUCIARY FUND TYPE</b>
	<b>GENERAL</b>	<b>SPECIAL REVENUE FUND</b>	<b>CAPITAL PROJECTS</b>	<b>CURRENT TAX COLLECTION FUND</b>
<b><u>ASSETS</u></b>				
Cash	\$ 169,033	\$ 136,519	\$ 61,033	\$ 175
Certificate of Deposit	101,151	32,204	-	-
Taxes Receivable	-	-	-	73,137
Fire run receivable	3,500	-	-	-
Accounts receivable	-	-	93,000	-
Due from other funds	57,700	7,021	-	-
Prepaid expense	16,093	-	-	-
Fixed Assets	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 347,477</u></b>	<b><u>\$ 175,744</u></b>	<b><u>\$ 154,033</u></b>	<b><u>\$ 73,312</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Accured payroll taxes	-	-	-	-
Accounts payable	-	-	\$ 93,055	-
Due to other funds	-	-	54,711	\$ 10,010
Due to other governmental units	-	-	-	63,302
<b><u>TOTAL LIABILITIES</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>147,766</u></b>	<b><u>73,312</u></b>
FUND EQUITY:				
Investment in general fixed assets				
Fund Balance - designated		\$ 175,744	6,267	
Fund Balance - undesignated	\$ 347,477			
<b><u>TOTAL FUND BALANCE</u></b>	<b><u>347,477</u></b>	<b><u>175,744</u></b>	<b><u>6,267</u></b>	<b><u>-</u></b>
<b><u>TOTAL LIABILITIES &amp; FUND EQUITY</u></b>	<b><u>\$ 347,477</u></b>	<b><u>\$ 175,744</u></b>	<b><u>\$ 154,033</u></b>	<b><u>\$ 73,312</u></b>

The accompanying notes are an integral part of the financial statements.

<b>ACCOUNT GROUPS</b>	<b>TOTALS (MEMORANDUM ONLY)</b>
<b>GENERAL FIXED ASSETS</b>	
	\$ 366,760
	133,355
	73,137
	3,500
	93,000
	64,721
	16,093
\$ 3,287,825	3,287,825
<b>\$ 3,287,825</b>	<b>\$ 4,038,391</b>
	\$ -
	93,055
	64,721
	63,302
-	221,078
\$ 3,287,825	3,287,825
	182,011
	347,477
3,287,825	3,817,313
<b>\$ 3,287,825</b>	<b>\$ 4,038,391</b>

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED MARCH 31, 2007**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>REVENUE:</b>				
Taxes	\$ 25,009	\$ 62,303		\$ 87,312
Licenses & permits	3			3
State revenue sharing-metro	2,594			2,594
State revenue sharing	93,105			93,105
Interest and dividends	10,053			10,053
Charges for services	6,303			6,303
Other revenue	78,243			78,243
Michigan Economic Development Corp.			\$ 1,614,561	1,614,561
USDA Rural Development			377,000	377,000
Sanilac County EDC			450,000	450,000
<b>TOTAL REVENUE</b>	<u>215,310</u>	<u>62,303</u>	<u>2,441,561</u>	<u>2,719,174</u>
<b>EXPENDITURES:</b>				
Legislative	29,269			29,269
Executive	5,225			5,225
Board of Review	432			432
Clerk	9,250			9,250
Treasurer	12,635			12,635
Elections	1,845			1,845
Assessor fees	8,937			8,937
Recreation	1,043			1,043
Township hall & grounds	15,505			15,505
Planning & Zoning	4,426			4,426
Public safety	12,108			12,108
Public works	27,935	46,038		73,973
Payroll taxes	3,767			3,767
Insurance and bonds	12,823	-		12,823
Construction			2,435,597	2,435,597
<b>TOTAL EXPENDITURES</b>	<u>145,200</u>	<u>46,038</u>	<u>2,435,597</u>	<u>2,626,835</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>70,110</u>	<u>16,265</u>	<u>5,964</u>	<u>92,339</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>277,367</u>	<u>159,479</u>	<u>303</u>	<u>437,149</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$347,477</u></u>	<u><u>\$175,744</u></u>	<u><u>\$ 6,267</u></u>	<u><u>\$ 529,488</u></u>

The accompanying notes are an integral part of the financial statements.



**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) - AND ACTUAL**  
**GENERAL AND SPECIAL REVENUE FUND TYPES**  
**FOR THE YEAR ENDED MARCH 31, 2007**

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE- FAVORABLE (UNFAVORABLE)</b>
<b>REVENUE:</b>			
Taxes	\$ 60,000	\$ 25,009	\$ (34,991)
Licenses & permits	-	3	3
State revenue sharing- metro	-	2,594	2,594
State revenue sharing	70,000	93,105	23,105
Charges for services	9,000	6,303	(2,697)
Interest and dividends	4,000	10,053	6,053
Other revenue	1,445	78,243	76,798
<b>TOTAL REVENUE</b>	<b>144,445</b>	<b>215,310</b>	<b>70,865</b>
<b>EXPENDITURES:</b>			
Legislative	21,255	29,269	(8,014)
Executive	5,300	5,225	75
Clerk	9,800	9,250	550
Board of Review	600	432	168
Treasurer	14,100	12,635	1,465
Election	2,050	1,845	205
Payroll taxes	7,000	3,767	3,233
Insurance and Bonds	18,000	12,823	5,177
Assessor fees	14,250	8,937	5,313
Township hall & grounds	25,250	15,505	9,745
Planning & Zoning	10,000	4,426	5,574
Public safety	23,875	12,108	11,767
Public works	48,000	27,935	20,065
Recreation	11,050	1,043	10,007
Other expenditures			-
<b>TOTAL EXPENDITURES</b>	<b>210,530</b>	<b>145,200</b>	<b>65,330</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(66,085)</b>	<b>70,110</b>	<b>136,195</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>277,367</b>	<b>277,367</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 211,282</b>	<b>\$ 347,477</b>	<b>\$ 136,195</b>

The accompanying notes are an integral part of the financial statements.

Page 5

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:**

The Township of Moore covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees and provides services to its more than 1,200 residents in many areas including law enforcement, administration of justice, community enrichment of development and human services.

The financial statements of the Township of Moore have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except for GASB 34 as explained in Note 9. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**REPORTING ENTITY:**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Moore contain all the funds and account groups controlled by the Township Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

**FUND ACCOUNTING:**

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types":

*Governmental funds* are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

*Fiduciary funds* are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

*Account groups* are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

**BASIS OF ACCOUNTING:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**BASIS OF ACCOUNTING (Continued):**

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

**BUDGETS AND BUDGETARY ACCOUNTING:**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

**CASH AND INVESTMENTS:**

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**RECEIVABLES:**

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls, which are secured by the underlying property.

**FIXED ASSETS:**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are value at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated.

**LONG-TERM OBLIGATIONS:**

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

**INTERFUND TRANSACTIONS:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**MEMORANDUM ONLY - TOTAL COLUMNS:**

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**ESTIMATES:**

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:**

A summary of changes in general fixed assets follows:

	<b><u>BALANCE</u></b> <b><u>MARCH 31,</u></b> <b><u>2006</u></b>	<b><u>ADDITIONS</u></b>	<b><u>REDUCTIONS</u></b>	<b><u>BALANCE</u></b> <b><u>MARCH 31,</u></b> <b><u>2007</u></b>
GENERAL GOVERNMENT	\$758,671	\$ 3,203	0	\$ 761,874
Sewer construction in progress	<u>90,354</u>	<u>2,435,597</u>	<u>0</u>	<u>2,525,951</u>
	<u>\$849,025</u>	<u>\$2,438,800</u>	<u>0</u>	<u>\$3,287,825</u>

**NOTE 3 - CASH AND INVESTMENTS:**

Cash and investments are held separately by each of the Township's funds.

**DEPOSITS:**

At year-end, the carrying amount of the Township's deposits was \$500,115 and the bank balance was \$502,364, \$296,669 of which was covered by federal depository insurance.

**INVESTMENTS:**

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter-part's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2007, the Township had no investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2007 are composed of the following:

	<b><u>CASH</u></b> <b><u>AND CASH</u></b> <b><u>EQUIVALENTS</u></b>	<b><u>INVESTMENTS</u></b>	<b><u>RESTRICTED</u></b> <b><u>ASSETS</u></b>
General Fund:			
Deposits	\$270,184		
Other Funds:			
Deposits	<u>168,723</u>		<u>\$61,208</u>
TOTAL	<u>\$438,907</u>	<u>NONE</u>	<u>\$61,208</u>

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

**NOTE 4 - LEGAL COMPLIANCE - BUDGETS:**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

**NOTE 5 - DUE TO AND FROM OTHER FUNDS:**

Due to and from other funds balances at March 31, 2007 are as follows:

<b><u>FUND</u></b>	<b><u>DUE FROM OTHER FUNDS</u></b>	<b><u>DUE TO OTHER FUNDS</u></b>
General Fund	\$57,700	
Special Revenue Fund	7,021	
Capital Projects Fund		\$54,711
Trust and agency:		
Current Tax Collection Fund	<u>-</u>	<u>10,010</u>
<b>TOTAL</b>	<b><u>\$64,721</u></b>	<b><u>\$64,721</u></b>

**NOTE 6 - PROPERTY TAX REVENUE:**

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. The Township levied .8796 mills for operations and 1.9798 mills for roads on a taxable value of \$28,379,790. The Township did not collect the SET tax during the summer of 2006. These taxes were collected by the State of Michigan.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

**NOTE 7 – MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT:**

Township officials have secured funding from Michigan Community Development Block Grant (CDBG) project MSC 202052 for the construction of a municipal lagoon sewer system. The grant is for \$1,718,350 with an estimated project completion date of June 30, 2007. The Township received two loans from the USDA Rural Development for \$638,000 and \$418,000. In addition, they have been approved to receive two grants from USDA Rural Development in the amount of \$500,000 each. The following is a summary of the revenue and expenditures in the Townships capital projects fund from the inception of the fund through the current fiscal year. The start of the project was delayed for various reasons. Current year expenditures were paid out of the Capital Projects Fund.

	<u>Revenue &amp; other financing sources</u>	<u>Expenditures &amp; other financing uses</u>
2007	\$2,518,358	\$2,435,597
2006	-	90,354
2005	129,820	95,396
2004	32,480	68,279
2003	11,990	11,990
2002	<u>-</u>	<u>3,900</u>
Total	<u>\$2,692,648</u>	<u>\$2,705,516</u>

**NOTE 8 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. The Township did not have any losses in the three prior fiscal years.

**NOTE 9 – GASB 34:**

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report letter.

**NOTE 10 – LONG-TERM DEBT:**

The amounts the Township will need to repay to the various units of government that provided financing for the capital project have not yet been determined. These amounts will be calculated during the next fiscal year after an analysis of jobs created has been completed. These liabilities have not been recorded in a long-term debt group of accounts.



## Supplemental Financial Information

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Property Taxes	\$ 60,000	\$ 25,009	\$ (34,991)
Licenses & permits	-	3	3
Intergovernmental			
State revenue sharing- metro	-	2,594	2,594
State revenue sharing	70,000	93,105	23,105
Interest and Dividends	4,000	10,053	6,053
Charges For Services:			
Land use Permits	1,000	789	(211)
Fire	7,000	700	(6,300)
Ditch cleanout	-	-	-
Cemetery lots	1,000	4,100	3,100
Misc	-	714	714
Total Chargers for Services	9,000	6,303	(2,697)
Other Revenue:			
Park Donations	1,445	1,445	-
Cemetery Donations	-	-	-
Other Revenues-other	-	76,798	76,798
Total Other Revenue	1,445	78,243	76,798
Sewage Disposal System			
TOTAL REVENUE	<u>\$ 144,445</u>	<u>\$ 215,310</u>	<u>\$ 70,865</u>

See the accompanying notes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES			
GENERAL GOVERNMENT:			
TOWNSHIP BOARD:			
Salary	\$ 6,000	\$ 7,579	\$ (1,579)
Administration	-	-	-
Legal	5,000	15,178	(10,178)
Audit and Accounting	1,500	1,600	(100)
Dues	755	695	60
Insurance	-	-	-
Printing and Publishing	2,000	561	1,439
Seminars and Meetings	1,500	1,723	(223)
Other	2,500	1,933	567
EDC	2,000	-	2,000
TOTAL TOWNSHIP BOARD	<u>21,255</u>	<u>29,269</u>	<u>(8,014)</u>
	-	-	-
SUPERVISOR:			
Salary	4,800	4,766	34
Supplies and travel	500	459	41
TOTAL SUPERVISOR	<u>5,300</u>	<u>5,225</u>	<u>75</u>
ELECTIONS:			
Wages and Mileage	1,750	1,211	539
Supplies	300	634	(334)
TOTAL ELECTIONS	<u>2,050</u>	<u>1,845</u>	<u>205</u>
ASSESSOR / EQUALIZATION:			
Salary and Wages	11,250	6,450	4,800
Processing- parcels	-	-	-
Equalization services	1,000	-	1,000
Supplies	1,000	58	942
Other	1,000	2,429	(1,429)
TOTAL ASSESSOR / EQUALIZATION	<u>14,250</u>	<u>8,937</u>	<u>5,313</u>
CLERK AND DEPUTY CLERK:			
Salary	9,100	9,012	88
Supplies	500	218	282
Other	200	20	180
TOTAL CLERK AND DEPUTY CLERK	<u>9,800</u>	<u>9,250</u>	<u>550</u>
TREASURER AND DEPUTY TREASURER:			
Salary	9,100	9,012	88
Supplies	2,000	2,195	(195)
Equalization services	1,000	-	1,000
Other	2,000	1,428	572
TOTAL TREASURER AND DEPUTY TREASURER	<u>14,100</u>	<u>12,635</u>	<u>1,465</u>

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENSES (continued)			
TOWNSHIP HALL & GROUNDS			
Telephone	\$ 1,200	\$ 1,186	\$ 14
Electric	1,500	1,288	212
Lawn Mowing	9,150	7,679	1,471
Snow Removal	700	680	20
Propane	3,600	2,576	1,024
Hall Cleaning and Supplies	1,500	955	545
Hall Maintenance	3,000	1,058	1,942
Capital Outlay	3,000	83	2,917
Gravel Pits	1,600	-	1,600
Excavating	-	-	-
TOTAL TOWNSHIP HALL & GROUNDS	<u>25,250</u>	<u>15,505</u>	<u>9,745</u>
INSURANCE AND BONDS:			
GLC policy	14,000	11,243	2,757
Workman's Comp.	4,000	1,580	2,420
TOTAL INSURANCE AND BONDS	<u>18,000</u>	<u>12,823</u>	<u>5,177</u>
SOCIAL SECURITY/TOWNSHIP:			
Payroll Taxes	<u>7,000</u>	<u>3,767</u>	<u>3,233</u>
BOARD OF REVIEW:			
Salary and Mileage	<u>600</u>	<u>432</u>	<u>168</u>
ZONING			
Administrator Salary	3,100	3,152	(52)
Board Salary and Mileage	3,300	1,090	2,210
Supplies & expenses	3,600	184	3,416
TOTAL ZONING	<u>10,000</u>	<u>4,426</u>	<u>5,574</u>
TOTAL GENERAL GOVERNMENT	<u>127,605</u>	<u>104,114</u>	<u>23,491</u>

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE- FAVORABLE (UNFAVORABLE)</b>
TOTAL GENERAL GOVERNMENT: (Continued)			
PUBLIC SAFETY- FIRE PROTECTION:			
Wages	\$ 9,000	\$ 8,468	\$ 532
Training	4,500	360	4,140
Fuel	1,500	639	861
Radio and equipment repair	500	473	27
SCBA equipment	6,000	150	5,850
Truck service and repair	1,500	11	1,489
Dues	375	-	375
Mileage	-	138	(138)
Miscellaneous	500	1,869	(1,369)
TOTAL PUBLIC SAFETY	23,875	12,108	11,767
PUBLIC WORKS - DRAINS:			
Drains at large	11,000	10,591	409
ROAD MAINTENANCE AND REPAIR:			
Road brine	17,000	16,332	668
Metro act expenses	-	-	-
Brush spraying	1,000	-	1,000
Baling Gravel	19,000	-	19,000
Ditch cleanout	-	(312)	312
Planning	-	1,324	(1,324)
TOTAL ROAD MAINTENANCE AND REPAIR	37,000	17,344	19,656
SEWER PROJECT	-	-	-
TOTAL PUBLIC WORKS	48,000	27,935	20,065
RECREATION - MEMORIAL PARK:			
Electric	300	254	46
Lawn mowing	1,800	-	1,800
Repairs	2,000	92	1,908
Dumpster	400	315	85
Toilet rental	550	330	220
Misc	6,000	52	5,948
TOTAL RECREATION	11,050	1,043	10,007

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
TOTAL EXPENDITURES	<u>\$ 210,530</u>	<u>\$ 145,200</u>	<u>\$ 65,330</u>
OTHER FINANCING USES:			-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES & OTHER FINANCING USES	<u><u>\$ 210,530</u></u>	<u><u>\$ 145,200</u></u>	<u><u>\$ 65,330</u></u>

See the accompanying notes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**COMBINED BALANCE SHEET -**  
**SPECIAL REVENUE FUNDS**  
March 31, 2007

	<u>ROAD ASSESSMENT</u>	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 134,604	\$ 1,855	\$ 60	\$ 136,519
Certificate of Deposit	32,204	-	-	32,204
Taxes Receivable	6,336	685	-	7,021
<b><i>TOTAL ASSETS</i></b>	<b><u>\$ 173,144</u></b>	<b><u>\$ 2,540</u></b>	<b><u>\$ 60</u></b>	<b><u>\$ 175,744</u></b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Accounts Payable	-	-	-	-
<b><i>TOTAL LIABILITIES</i></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
FUND EQUITY:				
Fund Balance - undesignated	\$ 173,144	\$ 2,540	\$ 60	175,744
<b><i>TOTAL FUND BALANCE</i></b>	<b><u>173,144</u></b>	<b><u>2,540</u></b>	<b><u>60</u></b>	<b><u>175,744</u></b>
<b><i>TOTAL LIABILITIES &amp; FUND EQUITY</i></b>	<b><u>\$ 173,144</u></b>	<b><u>\$ 2,540</u></b>	<b><u>\$ 60</u></b>	<b><u>\$ 175,744</u></b>

See the accompanying notes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - SPECIAL REVENUE FUNDS**  
**YEAR ENDED MARCH 31, 2007**

	<u>ROAD ASSESSMENT</u>	<u>STREET LIGHTS</u>	<u>ZONING</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUE:				
Taxes	\$ 56,168	\$ 3,533	-	\$ 59,701
Charges for services	397			397
Interest	2,205			2,205
Assessments			-	-
TOTAL REVENUE	<u>58,770</u>	<u>3,533</u>	<u>-</u>	<u>62,303</u>
EXPENDITURES:				
Gravel patching	40,096			40,096
Road improvements	794			794
Road maintenace	627			627
Street lighting		3,521		3,521
Zoning			\$ 1,000	1,000
TOTAL EXPENDITURES	<u>41,517</u>	<u>3,521</u>	<u>1,000</u>	<u>46,038</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>17,253</u>	<u>12</u>	<u>(1,000)</u>	<u>16,265</u>
FUND BALANCE - BEGINNING OF YEAR	<u>155,891</u>	<u>2,528</u>	<u>1,060</u>	<u>159,479</u>
FUND BALANCE - END OF YEAR	<u>\$ 173,144</u>	<u>\$ 2,540</u>	<u>\$ 60</u>	<u>\$ 175,744</u>

See the accompanying notes.



**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**ROAD ASSESSMENT**  
**STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	\$ 30,000	\$ 56,168	\$ 26,168
Charges for services	-	397	
Interest	-	2,205	
	<u>30,000</u>	<u>58,770</u>	<u>26,168</u>
TOTAL REVENUES			
EXPENDITURES:			
Gravel patching	40,000	40,096	(96)
Ditch maintenace		794	(794)
Road maintenace	15,000	627	14,373
	<u>55,000</u>	<u>41,517</u>	<u>13,483</u>
TOTAL EXPENDITURES			
EXCESS OF REVUNUE OVER EXPENDITURES UNDER( EXPENDITURES)	<u>(25,000)</u>	<u>17,253</u>	<u>39,651</u>
FUND BALANCE BEGINNING OF YEAR	<u>155,891</u>	<u>155,891</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 130,891</u>	<u>\$ 173,144</u>	<u>\$ 39,651</u>

See the accompanying notes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**STREET LIGHTS**  
**STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes	<u>\$        3,500</u>	<u>\$        3,533</u>	<u>\$              33</u>
TOTAL REVENUES	<u>          3,500</u>	<u>          3,533</u>	<u>              33</u>
EXPENDITURES:			
Street lighting	<u>          4,000</u>	<u>          3,521</u>	<u>              479</u>
TOTAL EXPENDITURES	<u>          4,000</u>	<u>          3,521</u>	<u>              479</u>
EXCESS OF REVUNUE OVER EXPENDITURES UNDER( EXPENDITURES)	<u>          (500)</u>	<u>              12</u>	<u>              512</u>
FUND BALANCE BEGINNING OF YEAR	<u>          2,528</u>	<u>          2,528</u>	<u>              -</u>
FUND BALANCE END OF YEAR	<u><u>        \$      2,028</u></u>	<u><u>        \$      2,540</u></u>	<u><u>        \$      512</u></u>

See the accompanying notes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**ZONING**  
**STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**YEAR ENDED MARCH 31, 2007**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Assessments	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Zoning	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXCESS OF REVUNUE OVER EXPENDITURS UNDER( EXPENDITURES)	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
FUND BALANCE BEGINNING OF YEAR	<u>1,060</u>	<u>1,060</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ -</u>

See the accompanying notes.

**TOWNSHIP OF MOORE, SANILAC COUNTY**  
**CURRENT TAX COLLECTION FUND**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED MARCH 31, 2007**

	<b><u>BALANCE</u></b> <b><u>MARCH 31,</u></b> <b><u>2006</u></b>	<b><u>ADDITION</u></b>	<b><u>REDUCTION</u></b>	<b><u>BALANCE</u></b> <b><u>MARCH 31,</u></b> <b><u>2007</u></b>
<b><u>ASSETS</u></b>				
Cash	\$ 118	\$ 57	-	\$ 175
Taxes Receivable	<u>51,290</u>	<u>578,555</u>	<u>\$ 556,708</u>	<u>73,137</u>
<b><i>TOTAL ASSETS</i></b>	<b><u>\$ 51,408</u></b>	<b><u>\$ 578,612</u></b>	<b><u>\$ 556,708</u></b>	<b><u>\$ 73,312</u></b>
 <b><u>LIABILITIES</u></b>				
Due to Sandusky District Library	\$ 2,624	\$ 31,517	\$ 32,565	\$ 3,672
Due to county	16,282	185,021	188,557	19,818
Due to schools	25,397	258,423	272,838	39,812
Due to other funds	<u>7,105</u>	<u>81,747</u>	<u>84,652</u>	<u>10,010</u>
<b><i>TOTAL LIABILITIES</i></b>	<b><u>\$ 51,408</u></b>	<b><u>\$ 556,708</u></b>	<b><u>\$ 578,612</u></b>	<b><u>\$ 73,312</u></b>

See the accompanying notes.

**TOWNSHIP OF MOORE**

ADDITIONAL REPORTS REQUIRED  
BY OMB CIRCULAR A-133

YEAR ENDED MARCH 31, 2007

## **C O N T E N T S**

### Page Number

*Report on compliance and on internal control over financial reporting  
based on an audit of financial statements performed in  
accordance with Government Auditing Standards*

1

*Report on compliance with requirements applicable to each major  
program and internal control over compliance in accordance with  
OMB Circular A-133.*

2 & 3

*Schedule of Expenditures Of Federal Awards*

4

*Notes to Schedule of Expenditures of Federal Awards*

5

*Schedule of Findings and Questioned Costs*

6

*Schedule of Prior Audit Findings*

7

# ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA  
Jerry J. Bernhardt, CPA  
Thomas B. Doran, CPA

Robert L. Tuckey, CPA  
Valerie Jamieson Hartel, CPA  
Jamie L. Peasley, CPA

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 30, 2007

To the Board of Trustees  
Township of Moore  
Snover, MI 48472

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Moore as of and for the year ended March 31, 2007, which collectively comprise the Township of Moore's basic financial statements and have issued our report thereon dated May 30, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Township of Moore's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted a matter involving the internal control over financial reporting and its operation that we consider to be a material weakness.

After considering the qualifications of the accounting personnel of Moore Township, we believe that the personnel have the abilities to maintain the day-to-day bookkeeping of the Township, but they do not have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with accounting policies generally accepted in the United States of America.

### COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Township of Moore's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the board of trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

# ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



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Jamie L. Peasley, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

May 30, 2007

To the Board of Trustees  
Township of Moore  
Snover, MI 48472

### **COMPLIANCE**

We have audited the compliance of the Township of Moore with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended March 31, 2007. The Township of Moore's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Township of Moore's management. Our responsibility is to express an opinion on the Township of Moore's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about the Township of Moore's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Township of Moore's compliance with those requirements.

In our opinion, the Township of Moore complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2007.

### **INTERNAL CONTROL OVER COMPLIANCE**

The management of the Township of Moore is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township of Moore's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



To the Board of Trustees  
May 30, 2007

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

We have audited the basic financial statements of the Township of Moore as of and for the year ended March 31, 2007, and have issued our report thereon dated May 30, 2007. Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise Township of Moore's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the board of education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

**ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED MARCH 31, 2007**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE 3/31/2006	(MEMO ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR RECEIPTS	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE 3/31/2007
U.S. DEPARTMENT OF AGRICULTURE:								
Passed through USDA Rural Development:								
Community Development Block Grant	14.228	MSC-202052-EDIG	\$ 1,718,350	-	-	\$ 1,614,560	\$ 1,614,560	-
Rural Development (Loan, 92.01)			638,000	-	-	356,000	356,000	-
Rural Development (Loan, 92.03)			418,000	-	-	21,000	21,000	-
			2,774,350	-	-	1,991,560	1,991,560	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,774,350	-	-	1,991,560	1,991,560	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 2,774,350	\$ -	\$ -	\$ 1,991,560	\$ 1,991,560	\$ -

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED MARCH 31, 2007**

**NOTES:**

1. Basis of Presentation – The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Township of Moore and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 and reconciles with the amounts presented in the preparation of the financial statements.
2. The Rural Development cluster (CFDA number 14.228) was audited as a major program representing 100% of federal expenditures.
3. The threshold for distinguishing Type A and Type B programs was \$300,000. This schedule was prepared on the modified accrual basis of accounting.

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2007**

**Section I – Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified:   X   Yes        No
- Reportable condition(s) identified that are not considered to be material weaknesses?        Yes   X   None reported
- Noncompliance material to financial statements noted?        Yes   X   No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified:        Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133?        Yes   X   No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

14.228

Rural Development Cluster

Dollar threshold used to distinguish between type A and Type B Programs:

\$300,000

Auditee qualified as low-risk auditee?

       Yes   X   No

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**TOWNSHIP OF MOORE, SNOVER, MICHIGAN  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED MARCH 31, 2007**

There were no prior year audit findings for the year ended March 31, 2006.

# ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA  
Jerry J. Bernhardt, CPA  
Thomas B. Doran, CPA

May 30, 2007

Robert L. Tuckey, CPA  
Valerie Jamieson Hartel, CPA  
Jamie L. Peasley, CPA

To the Board of Moore Township:

In planning and performing our audit of the financial statements of Moore Township as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Moore Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses:

After considering the qualifications of the accounting personnel of Moore Township, we believe that the personnel have the abilities to maintain the day-to-day bookkeeping of the Township, but they do not have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with accounting principles generally accepted in the United States of America.

This communication is intended solely for the information and use of management, Moore Township, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

Anderson, Tuckey, Bernhardt & Doran, P.C.  
Certified Public Accountants